

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04
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FM AMEMBASSY NEW DELHI
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INFO AMCONSUL BOMBAY
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CINCPAC

C O N F I D E N T I A L NEW DELHI 7117

CINCPAC FOR POLAD

E.O. 11652: LBS
TAGBUI ELAB PINT IN
SUBJECT: A DISTURBED LABOR SCENE

REF: NEW DELHI 5257

1. THE LABOR UNREST AND WORK STOPPAGES REPORTED REFTEL
APPEAR TO HAVE INCREASED.THESE DISPUTES ARE NOT LIMITED
TO ANY PART OF THE COUNTRY AND VARY FROM ONE DAY STOPPAGES
TO STRIKES THAT HAVE LASTED FOR SEVERAL WEEKS. THE FOLLOWING
ARE THE MOST SIGNIFICANT:

2. IN CALCUTTA A STRIKE OF 4,000 BARGE MEN AND LAUNCH CREW,
WHICH BEGAN ON APRIL 20, CONTINUES WITH NO SIGN OF SETTLEMENT
THE STRIKE, WHICH MOST SERIOUSLY AFFECTS THE JUTE INDUSTRY,
IS A RESULT OF THE WORKERS' CONTENTION THAT THEY ARE
ENTITLED TO IMPROVED WAGES AND ALLOWANCES BASED ON THE
RECOMMENDATIONS OF A WAGE BOARD FOR PORT AND DOCK WORKERS.

3. ON MAY 10 OVER 3,000 EMPLOYEES OF BOMBAY PORT STRUCK
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TO DEMAND THE WITHDRAWAL OF UNILATERAL CHANGES MADE IN THE
WORK RULES BY THE MANAGEMENT DURING THE EMERGENCY, SUCH AS
INCREASED WORKLOADS. BECAUSE THE STRIKING EMPLOYEES
INCLUDE HIGHLY SKILLED WORKERS, SUCH AS CRANE DRIVERS,
MARINE CREW, AND PORT TRUST RAILWAY STAFF, OVER 70 PERCENT
OF THE LOADING AND UNLOADING OPERATIONS IN THE PORT ARE
BADLY AFFECTED. AS OF MAY 16, 51 SHIPS WERE IMMOBILIZED

AT THEIR PIERS AND 26 IN THE STREAM.

4. AS MANY AS 60,000 WORKERS ARE ON STRIKE IN THE BIDI (INDIGENOUS CIGARETTE) INDUSTRY IN ANDHRA PRADESH SINCE APRIL 15. THE WORKERS ARE DEMANDING AN INCREASE IN THEIR PIECE RATES.;

5. IN BARODA, GUJARAT, ON OIL REFINERY EMPLOYING 1,250 HAS BEEN ON STRIKE FOR THE LAST FIVE DAYS. THE CENTRAL ISSUE IS IMPROVEMENT IN WORK RULES.

6. IN WEST BENGAL APPROXIMATELY 8,000 MEMBERS OF THE NON-TEACHING STAFFS OF UNIVERSITIES AND COLLEGES HAVE BEEN ON STRIKE SINCE APRIL 11 TO DEMAND IMPROVED WAGES. AS A RESULT, UNIVERSITY AND COLLEGE EXAMS HAVE HAD TO BE POSTPONED IN THE AFFECTED INSTITUTIONS.

7. GIVEN THE LABOR BACKGROUND OF SOME OF THE MEMBERS OF THE CABINET, IT IS NOT SURPRISING THAT THE GOVERNMENT IS PROCEEDING WITH CONSIDERABLE RESTRAINT IN DEALING WITH WHAT IS BECOMING A SERIOUS PROBLEM. THUS FAR THE GOI HAS ACCEPTED ONLY ONE OF LABOR'S PRINCIPAL DEMANDS, THE WITHDRAWAL OF THE ANTI-INFLATIONARY "COMPULSORY DEPOSIT SCHEME", UNDER WHICH 50 PERCENT OF INCREASES IN THE COST OF LIVING ALLOWANCE WAS WITHHELD AND DEPOSITED IN A SPECIAL FUND. WORKERS WILL NOW RECEIVE THEIR FULL ALLOWANCE, AND MONIES PREVIOUSLY WITHHELD WILL BE PLACED IN THE PERSON'S RETIREMENT FUND. THE REFUSAL OF THE GOI TO RETURN THE DEPOSITED MONEY TO THE WORKERS (A DECISION JUSTIFIED BY THE GOI AS ANTI-CONFIDENTIAL

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INFLATIONARY) CAUSED OVER 15,000 TEXTILE WORKERS IN INDORE, MADHYA PRADESH, TO STRIKE FOR 24 HOURS. THE GOVERNMENT HAS YET TO ACT ON OTHER PRINCIPAL LABOR DEMANDS, SUCH AS REINSTITUTION OF A MINIMAL ANNUAL BONUS (ALTHOUGH IF THE RECOGNIZED THE WORKER'S CASE "IN PRINCIPLE") AND REINSTATEMENT OF WORKERS "VICTIMIZED" DURING THE EMERGENCY. THE GOVERNMENT'S POSITION IS THAT TIME IS NEEDED TO STUDY THE PROBLEMS, AND IT RECONSTITUTED A TRIPARTITE BODY, THE INDIAN LABOR CONFERENCE, WHICH MET FOR THE FIRST TIME IN SIX YEARS. ONE OF THE FIRST TASKS OF THE CONFERENCE WILL BE TO REVISE ALL OF THE COUNTRY'S INDUSTRIAL RELATIONS LAWS. THE MACHINERY CREATED DURING THE EMERGENCY TO DEAL WITH LABOR PROBLEMS, THE NATIONAL APEX BODY, HAS BEEN DISBANDED.

8. COMMENT: IN COMPARISON TO THE DAYS OF THE EMERGENCY WORKERS SEEM TO BE PROTESTING ALL AT ONCE. WORKER EXPECTATIONS ARE HIGH, AND COMPROMISE SOLUTIONS LIKELY TO KEEP INFLATION IN CHECK WILL NOT BE WELL RECEIVED.

IN THE PRESENT MOOD SOME WORKERS APPARENTLY FEEL ENTITLED
TO GO BEYOND PEACEFUL PROTEST TACTICS, AND THE LABOR MINISTER
HAS HAD TO ANNOUNCE THAT THE GOVERNMENT WOULD NOT
RECOGNIZE AGREEMENTS EXTRACTED UNDER DURESS. WHILE THE
GOVERNMENT CLEARLY RECOGNIZED THE EXTENT OF LABOR UNREST,
IT IS NOT DEALING WITH THE PROBLEM ON A CRISIS BASIS.
PRESUMABLY IT HAS CONCLUDED THAT SHORT OF REINSTITUTING THE
GENERAL BAN ON STRIKES OF THE EMERGENCY, THERE IS NOTHING
ELSE TO DO EXCEPT TREAT EACH DISPUTE ON AN AD HOC BASIS.
HOWEVER, GIVEN THE DEFECTIVE MECHANISMS FOR DISPUTE SETTLEMENT,
WE EXPECT THAT THIS APPROACH WILL BE VIEWED AS LESS SATIS-
FACTORY, ESPECIALLY BY THOSE WHO ARE FINANCIALLY
HURT OR OTHERWISE INCONVENIENCED. THE NEAR-TERM OUTLOOK
IS FOR CONTINUED UNREST.
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